

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2184-01
Bill No.: HB 994
Subject: Railroads; Energy; Taxation and Revenue - Sales and Use
Type: Original
Date: May 18, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$1,052,500)	(\$1,389,300)	(\$1,528,230)
School District Trust	(\$350,833)	(\$463,100)	(\$409,410)
Conservation	(\$43,854)	(\$57,888)	(\$63,676)
Parks and Soil	(\$35,083)	(\$46,310)	(\$50,941)
Total Estimated Net Effect on <u>All</u> State Funds*	(\$1,482,271)	(\$1,956,598)	(\$2,152,257)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	(\$526,250)	(\$694,650)	(\$764,115)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation, as worded, would exempt railway excursions from state and local taxes. DOR assumes this legislation would not have an administrative impact on its agency and the revenue impact is unknown.

Officials of the **Department of Economic Development, Division of Motor Carrier & Railroad Safety** assume this bill will not fiscally impact their agency.

Officials from the **Office of Administration - Budget and Planning (BAP)** did not respond to our fiscal note request.

According to the Amtrak Strategic Business Plan, 22.5 million passengers were served in FY 2000 (ending September 30, 2000) earning ticket revenue of \$1.1 billion. For the first quarter in FY 2001, the company served 6 million passengers and received \$298 million in ticket revenue. Amtrak's rate of growth in ticket sales is 10%. Amtrak operates 22,000 miles of passenger rail, serving over 500 communities in 45 states. Amtrak operates 842 miles of track in Missouri. Multiplying the ratio of Missouri miles to national miles (3.83%) by national ticket sales, the estimated annual Missouri ticket sales would be \$42.1 million in FY02. **Oversight** assumes the revenue loss from this sales tax exemption for railway excursion tickets to be \$2 million in FY02, \$2.7 million in FY03 and \$2.9 million in FY04 to all affected funds.

This proposal would result in a decrease in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 mo.)	FY 2003	FY 2004
<u>Loss to Other State Funds:</u>			
General Revenue Fund	(\$1,052,500)	(\$1,389,300)	(\$1,528,230)
School District Trust Fund	(\$350,833)	(\$463,100)	(\$409,410)
Conservation Sales Tax Fund	(\$43,854)	(\$57,888)	(\$63,676)
Parks and Soil Sales Tax Fund	<u>(\$35,083)</u>	<u>(\$46,310)</u>	<u>(\$50,941)</u>
ESTIMATED NET EFFECT ON ALL FUNDS	<u>(\$1,482,271)</u>	<u>(\$1,956,598)</u>	<u>(\$2,152,257)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
<u>Loss to Political Subdivisions</u>			
Cities	(\$315,750)	(\$416,790)	(\$458,469)
Counties	<u>(\$210,500)</u>	<u>(\$277,860)</u>	<u>(\$305,646)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(\$526,250)</u>	<u>(\$694,650)</u>	<u>(\$764,115)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill exempts from state and local sales and use taxes all sales of tickets for railway excursions that traverse state lines and that travel on standard gauge track that is part of the National Transportation System.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Economic Development
 Division of Motor Carrier & Railroad Safety
Amtrak Strategic Plan

NOT RESPONDING: Office of Administration, Budget and Planning



Jeanne Jarrett, CPA
Director
May 18, 2001